Labour Code, Law No. 65-99

Reference: Law No. 65-99 enacted by Dahir No. 1-03-194 of 11 September 2003

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Practice areas: Employment law

> The Labour Code governs the relationship between employer and employee in the private sector: forming and ending the employment contract, working hours, leave, pay, staff representation and dispute resolution. In particular, it protects employees against dismissal without valid grounds. This is an unofficial explanatory note; only the Arabic text published in the Official Bulletin is authoritative.

Who this law applies to

The Code applies to people bound by an employment contract in industrial, commercial, service and agricultural businesses, as well as craft businesses and professional practices that employ staff. Certain categories (such as civil servants and domestic workers) are covered by specific statutes or laws.

The key rules

- An employment contract is, as a rule, open-ended. Fixed-term contracts are only allowed in the cases set out by law.
- Dismissal must be based on valid grounds (serious misconduct, capability, or economic and technological reasons) and follow a procedure, including a hearing at which the employee may be assisted by a staff delegate or union representative.
- An employee dismissed after at least 6 months' service is entitled, except in cases of serious misconduct, to severance pay calculated under Article 53.
- Unfair dismissal gives rise to damages set by the court at one and a half months' salary per year or part-year of service, capped at 36 months (Article 41).
- The Code regulates normal working hours, overtime, weekly rest and paid annual leave.

Key deadlines and figures

- Severance pay (Article 53): 96 hours' salary per year for the first 5 years, 144 hours for years 6 to 10, 192 hours for years 11 to 15, and 240 hours beyond 15 years.
- 6 months: minimum length of service to qualify for severance pay.
- 36 months' salary: cap on damages for unfair dismissal (Article 41).

- 90 days: deadline to bring a claim before the court from receipt of the dismissal decision (Article 65).
- 2 years: limitation period for claims arising from the employment contract, subject to specific rules.

What it means in practice

Employees should keep their contract, payslips, written exchanges and dismissal letter, and observe the 90-day deadline. Conciliation may take place before the labour inspectorate, and an agreement signed at that stage has significant effects.

For a business, legal certainty depends on clear contracts, up-to-date internal rules and a carefully documented disciplinary procedure, since a procedural flaw alone can make a dismissal unfair.

Reforms and recent developments

The Labour Code came into force in June 2004. Organic Law No. 97-15 setting the conditions for exercising the right to strike was adopted in 2025, and a broader revision of the Labour Code is under discussion between the government and the social partners.

When to consult a lawyer

Seek advice promptly after being summoned to a disciplinary hearing, after a dismissal, or if you are pressed to sign a resignation or a final settlement receipt. On the employer side, a lawyer can assist ahead of a dismissal procedure or a restructuring.

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